

(Consolidated)

KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES FLASH CONSOLIDATED FINANCIAL RESULT

For three months ended June 30, 2012 and 2011 and one year ended March 31, 2012

Operating results

Millions of yen

Net sales	>	283,530	291,579	\$	100
Operating income		6,741	12,373		100
Net income		6,030	9,558		100
Earnings per share (Yen)		3.6	5.7		

Financial condition

Total assets	>	1,374,217	1,362,139	\$	100
Net assets		315,812	315,922		100
Number of shares issued and outstanding		1,671,813	1,671,815		
Equity Ratio		22.2%	22.4%		

Cash flows

		Three months ended	Three months ended		
		Jun. 30, 2012	Jun. 30, 2011		
Operating activities	>	7,995	(10,239)	100	100

- Notes : 1. This "FLASH CONSOLIDATED FINANCIAL RESULTS" and following financial statements have been prepared in conformity with generally accepted accounting principles and practices in Japan.
2. All US\$ amounts in these statements represent the arithmetical results of translating Japanese yen to U.S. dollars on the basis of 79.31=\$1, the rate prevailing as of June 30, 2012, solely for the convenience of the readers.

Condensed Consolidated Balance Sheets

As of June 30 and March 31, 2012

	Millions of yen		Thousands of
	As of Jun. 30, 2012	As of Mar. 31, 2012	U.S. dollars As of
Assets :			
Current assets :			
Cash on hand and in banks	> 33,440	34,316	\$ 421,636
Receivables, less allowance	387,786	416,479	4,889,497
Inventories	460,414	441,897	5,805,245
Other current assets	73,812	74,494	930,677
Total current assets	<u>955,452</u>	<u>967,186</u>	<u>12,047,055</u>
Investments and long-term loans less allowance	78,427	59,602	988,867
Net property, plant and equipment	279,221	274,750	3,520,628
Intangible and other assets	61,117	60,601	770,609
Total assets	> <u>1,374,217</u>	<u>1,362,139</u>	<u>\$ 17,327,159</u>
Liabilities and net assets :			
Current liabilities :			
Short-term borrowings			
and current portion of long-term debt	> 178,130	147,924	\$ 2,245,996
Payables	286,779	310,775	3,615,925
Advances from customers	119,098	99,051	1,501,677
Other current liabilities	125,105	138,253	1,577,418
Total current liabilities	<u>709,112</u>	<u>696,003</u>	<u>8,941,016</u>
Long-term liabilities :			
Long-term debt, less current portion	256,933	259,243	3,239,604
Others	92,360	90,971	1,164,545
Total long-term liabilities	<u>349,293</u>	<u>350,214</u>	<u>4,404,149</u>
Net assets :			
Common stock	104,484	104,484	1,317,412
Capital surplus	54,394	54,394	685,840
Retained earnings	173,881	176,414	2,192,422
Treasury stock	(23)	(22)	(290)
Net unrealized gains on securities	2,808	3,989	35,405
Gains (losses) on hedging items	1,900	246	23,957
Foreign currency translation adjustments	(32,010)	(33,451)	(403,606)
Minority interests	10,378	9,868	130,854
Total net assets	<u>315,812</u>	<u>315,922</u>	<u>3,981,994</u>
Total liabilities and net assets	> <u>1,374,217</u>	<u>1,362,139</u>	<u>\$ 17,327,159</u>

(Consolidated)

Condensed Consolidated Statements of Income

For three months ended June 30, 2012 and 2011

		Millions of yen		9 th Change	Thousands of U.S. dollars
Net sales	>	283,530	291,579	-3%	\$ 3,574,959
Cost of sales		240,095	244,361		3,027,298
Gross profit		43,435	47,218		547,661
Selling, general and administrative expenses		36,694	34,845		462,666
Operating income		6,741	12,373	-46%	84,995
Other income (expenses) :					
Interest and dividend income		684	688		8,624
Equity in income of unconsolidated subsidiaries and affiliates		2,296	2,098		28,950
Interest expense		(1,017)	(1,104)		(12,823)
Other, net		3,023	49		38,116
Income before income taxes and minority interests		11,727	14,104		147,862
Income taxes		(5,101)			

Segment information
Information by reportable segment

Millions of yen

	External sales	Intersegment sales		Operating expenses	Operating income (loss)
Ship Offshore Structure	27,751	102	27,853	26,903	950
Rolling Stock	25,878	63	25,941	25,893	48
Aerospace	40,029	442	40,471	41,369	(898)
Gas Turbine & Machinery	45,569	3,897	49,466	46,080	3,386
Plant & Infrastructure	23,825	1,919	25,744	24,745	999
Motorcycle & Engine	59,611	209	59,820	59,467	353
Precision Machinery	40,481	3,219	43,700	36,575	7,125
Other	28,435	7,671	36,106	35,180	926
Total	291,579	17,522	309,101	296,212	12,889
Eliminations and corporate	-	(17,522)	(17,522)	(17,006)	(516)
Consolidated total	291,579	-	291,579	279,206	12,373

External

Intersegment

Operating

Operating

